

The following Minutes were approved on 1/26/06

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

DECEMBER 22, 2005

A monthly meeting of the Board of Directors of the Small Business Loan Fund Corporation was held in public session at the offices of the Rhode Island Economic Development Corporation, One West Exchange Street, Providence, Rhode Island on December 22, 2005 at approximately 9:35 a.m.

Present were Board Members: Raymond Fogarty (Chair), Edward Rendine, Richard DeMerchant, Bill Parsons and Maurice Paradis. Also present were: Earl Queenan, Anthony Scolavino, Claudine Tikoian, staff, along with Thomas Moses, SBLFC Counsel of Moses Afonso Jackvony Ltd. and his assistant Geralyn Souvalian.

Mr. Fogarty called the meeting to order at 9:35 a.m.

Adoption of Minutes

The first item to come before the Board was consideration for

adoption of the Minutes of the Meeting held on November 17, 2005. Bill Parsons made a motion to approve the Minutes and Edward Rendine seconded the motion, which passed unanimously. The next item was to consider maintaining the Minutes of the Executive Session of November 17, 2005 and to be held as confidential. Bill Parsons made a motion to approve the Executive Session Minutes and Maurice Paradis seconded the motion, which passed unanimously.

Cash Position/Portfolio Activity/Delinquency Report

There were no questions on the Report of Cash Position as of November 30, 2005 and no questions on the Report of Portfolio Activity as of November 30, 2005.

Mr. Rendine did want to discuss the Delinquency Report. He wanted to know when the last time Kenneth Shea made his payment which was November 28, 2005. Anthony Scolavino mentioned that Thymesavers, Inc., which went out of business, principals – Mr. & Mrs. Marvin Carter have filed a Chapter 7 Bankruptcy petition. Also, Gateway Eight, which is in State Receivership and whose assets have been liquidated, will be recommended for charge off at the January monthly Board meeting.

Executive Session

At 9:47 a.m., upon motion made by Mr. Parsons and seconded by Maurice Paradis to move the next portion of the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of RI 1956 (1988 Reenactment), as amended.

Return to Public Session

Upon a motion made by Mr. DeMerchant and seconded by Mr. Rendine, the Board unanimously voted to return to Public Session at 11:10 a.m.

A Representative of the Senate finance staff entered the room to hear the Executive Vote Ratification.

Executive Session Vote Ratification

The next item to come before the Board was the ratification of voting held during the Executive Session. The following votes were presented for ratification:

On behalf of Cleanscape, to approve the loan application, subject to the conditions outlined in the Executive Session portion of the Minutes.

Richard DeMerchant made a motion to ratify the aforementioned vote, Mr. Paradis seconded the motion, and the motion was passed by

majority.

On behalf of Fitness Concepts DBA Big Fitness to approve the loan application, subject to the conditions outlined in the Executive Session portion of the Minutes.

Edward Rendine made a motion to ratify the aforementioned vote, Maurice Paradis seconded the motion, and the motion was passed unanimously.

On behalf of Henry Birks to approve the asset subordination request, subject to the conditions outlined in the Executive Session portion of the Minutes.

Edward Rendine made a motion to ratify the aforementioned vote, Bill Parsons seconded the motion, and the motion was passed unanimously.

On behalf of Crest Surfaces to approve the loan application, subject to the conditions outlined in the Executive Session portion of the Minutes.

Edward Rendine made a motion to ratify the aforementioned vote, Maurice Paradis seconded the motion, and the motion was passed unanimously.

On behalf of International Yacht Restoration School to approve the loan application, subject to the conditions outlined in the Executive Session portion of the Minutes.

Edward Rendine made a motion to ratify the aforementioned vote, seconded by Bill Parsons and opposed by Richard DeMerchant. The motion passed.

On behalf of Davin Wheels to approve the loan application, subject to the conditions outlined in the Executive Session portion of the Minutes.

Richard DeMerchant made a motion to ratify the aforementioned vote, Bill Parsons seconded the motion. Mr. Rendine recused himself due to a conflict. The motion was passed unanimously.

On behalf of Aeroserv to approve the loan application, subject to the conditions outlined in the Executive Session portion of the Minutes.

Edward Rendine made a motion to ratify the aforementioned vote, Bill Parsons seconded the motion, and the motion was passed unanimously.

On behalf of Lance Industries to deny the loan application, subject to the conditions outlined in the Executive Session portion of the Minutes.

Edward Rendine made a motion to deny the application as presented, but would consider entertaining a revised application if the Borrower provided additional information as outlined in the Executive Session. Richard DeMerchant seconded motion.

Upon a motion made by Mr. Rendine and seconded by Mr. Parsons, the Board unanimously voted to adjourn. The meeting concluded at 11:15 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.

Director of Accounting & Finance